



City of San Diego

KEVIN FAULCONER
CITY COUNCILMEMBER – DISTRICT 2

CARL DEMAIO
CITY COUNCILMEMBER – DISTRICT 5

MEMORANDUM

DATE: March 9, 2009

TO: Honorable Mayor and City Council

FROM: Councilmember Kevin Faulconer
Councilmember Carl DeMaio

RE: CCDC Ballpark Repayment and CDBG Loans

On March 10, 2009, the City Council is being asked to make findings and consider a second amendment concerning debt service payments on Petco Park bonds. Under the proposal being considered, the liability for Petco Park bond repayment will return to the City's General Fund beginning in FY 2014.

We are concerned about the structure of the current proposal. First, the proposal is being considered before the City can finalize an agreement with HUD concerning the repayment of CDBG debt of \$114 million. Resolving this issue first will allow for a more comprehensive view of CCDC's capacity to fulfill key projects in the downtown community plan. In addition, there is still a debate over who should assume responsibility for Petco Park debt after 2014.

To provide additional time to address these concerns in a comprehensive manner, we propose that the Council take the following actions:

- **FY 2009 - 2013 Budget Provisions:** The Council makes appropriate findings and approves a 5 year budget provision (FY 2009 - FY 2013) of CCDC payment of the Petco Park bonds (\$11.3 million per year).
- **Comprehensive Repayment Plan:** The Council should revisit the issue of the repayment plan for Petco Park bonds once a payment plan regarding CDBG loans has been resolved between the City, CCDC and HUD.

- **Report Back on Revenue Cap and Timing Issues:** Request that CCDC report to the City Council on the outstanding projects remaining for CCDC as it relates to the organization's mission. This presentation should address issues surrounding project area time limits as well as the CCDC revenue cap.

We respectfully request your support for this revised approach to dealing with this important issue.